



State Senator

MARCH 24, 2006

VALDE GARCIA

Serving the 22nd District

Shiawassee-Livingston-southern Ingham counties

COFFEE BREAK NEWS

Senate Appropriations Committee voted to increase K-12 funding

The Michigan Senate Appropriations Committee voted Wednesday to increase the foundation allowance for K-12 funding by \$25 more per student than the governor's proposal, and voted to provide an additional \$60 per student for all schools who receive a foundation grant of \$7,100 or less. This would bring the grand total of K-12 funding to \$7,185 per student.

The increased allowance funding will benefit 13 school districts in the 22nd District, bringing an additional \$285 per student.

Senate Bill 1095 will be taken up by the Senate next week.

Senate repeals Single Business Tax and introduces legislation to reduce the SBT Alternative Business Tax rate

The state Senate voted this week to repeal the Single Business Tax (SBT) at the end of this year, and introduced legislation that reduces the alternative rate small businesses pay on the Single Business Tax from 2 percent to 1 percent. The SBT has been one of the largest obstacles to job growth in the state.

The repeal will put the SBT to rest and require the Governor's Council on Economic Advisors to develop a plan to replace the SBT with business taxes that are more conducive to job creation, investment and economic growth.

In addition to voting to repeal the SBT, Senator Garcia co-sponsored Senate Bill 1191 that would cut the alternative rate small businesses pay on the Single Business Tax in half, to 1 percent. The measure would also increase the business income qualification for this tax from \$475,000 to \$525,000 and end the practice of manipulating out-of-state gains and losses to reduce tax liability.

These legislative actions are great steps for small businesses, which provide more than two-thirds of the jobs in our state.

Senate passes legislation to protect state parks

Legislation was passed by the Senate this week that could strip the Department of Natural Resources (DNR) of its authority to declare a state park as "surplus land" and place it up for sale.

Currently, the DNR has sole authority to evaluate the worth of its land. Additionally, if the DNR deems land as "surplus", it has the power to make decisions regarding the sale or exchange of the land.

With the passage of SB 971, the DNR would be required to gain approval from the Citizens Committee for Michigan State Parks before selling a portion of the park. The legislation prohibits a land sale that is greater than 15 percent of the park's total land, unless authorized by law. In addition to the committee's approval, approval must also come from the House and Senate's natural resources and environmental issues committee as well as the appropriations committee.